



FOR YOUR

BENEFIT

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GROUP INSURANCE COMMISSION
Providing Massachusetts State
Employees, Retirees, and Their
Dependents with Access to
Quality Healthcare at a
Reasonable Cost

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www.state.ma.us/gic

Harvard Pilgrim Health Care Members Continue Coverage During Receivership

Anxiety about the health care industry has reached a new level with Harvard Pilgrim Health Care's placement in court-ordered receivership as this publication goes to press. On Tuesday, January 4, 2000, HPHC announced operating losses of \$177 million. As a result, the Commissioner of Insurance, Linda Ruthardt, will oversee the organization while a recovery plan is developed. **All HPHC members will continue to receive coverage and regular benefits.**

"This is not happy news, but I don't think it's time to hit the panic button yet," Dolores L. Mitchell, the Group Insurance

Commission's Executive Director was quoted in the *Boston Globe* as having said. "Harvard Pilgrim is a very, very large plan, and it's not going to go away overnight. But on the other hand, we are not bereft of alternatives, and I always think in terms of contingencies."

The Group Insurance Commission is going forward with our current rate negotiations, and we will continue to keep you, our enrollees, apprised of its progress.

Health Care Industry in Turmoil - What's Happening and What Does it Mean for You?

The HPHC news has fueled
(Continued on page four)

Annual Benefit Statements Include New Features

Look for your annual benefit statement in the mail to ward the end of January. It provides a personalized summary of the many benefits you receive through the Group Insurance Commission. Please review it carefully for any necessary changes or corrections. We've added features to assist you:

- Benefit Statement Change Form and Return Envelope – Use this helpful form to ensure your information is current with the GIC.
- Retirement Benefit Worksheet – in conjunction with the State Retirement Board, active employees will receive a worksheet on how to estimate their retirement pension.

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Every year the Group Insurance Commission establishes a holiday giving tree. Staff members contribute gifts to a worthy, children-oriented cause. This year the GIC selected Margaret House in Dorchester, a shelter for homeless women and their children, part of St. Mary's Women and Infants Center, and the Phillis Wheatley Middle School in Roxbury. The GIC staff contributed requested clothes and books, respectively.



Pictured left to right at the December 17, 1999 Giving Tree Celebration are Robert Marotta, Phillis Wheatley Middle School, Lysiane Ribeiro, Assistant Director of ASO Programs, GIC, Pauline Coulter, Margaret House, and Kathleen Murdock, Phillis Wheatley Middle School.

GIC Recognized for Innovative Health Care Initiatives



The New England Employee Benefits Council (NEEBC), the nonprofit regional benefit association, bestowed on the GIC its 1999 "Best Benefits Practices" award for its mental health parity initiative. The GIC required its HMOs, as of July 1, 1999, to offer mental health benefits based on medical necessity, rather than number of visits. The GIC implemented similar parity benefits for its Indemnity and PPO medical plans in July 1, 1993. The NEEBC recognizes employers who have demonstrated standards of excellence in employee benefits. Nine other organizations also received the award at the December 15, 1999 presentation in Waltham, Massachusetts.

"We are always looking for innovative ways to improve the quality of care, and this long overdue change provides equitable treatment for people who need mental health services," said Dolores L. Mitchell, Group Insurance Commission Executive Director. "We were very pleased to have been recognized by NEEBC for our expanded program."

Benefit Statement

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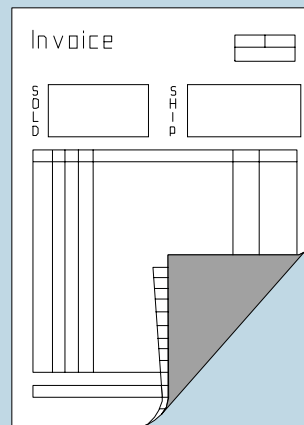
Please be sure your address is up-to-date with the Post Office. The GIC uses the National Change of Address system (NCOA) to update our file twice a year. Your statement and Benefit Decision Guide are mailed to you according to the address listed with the U.S. Post Office.

If Your Provider Asks for Cash Up Front....

Has your health provider:

- Asked you to pay full charges for covered services at the time of treatment?
- Billed you for covered service charges that exceed your deductible or co-payment?
- Asked you to sign a statement promising to pay the provider any charges that your health plan does not pay when you receive a covered service?

Be aware that state law and provider contracts prohibit GIC enrollees' health providers from charging or collecting from them payment for charges that exceed a plan's reimbursement for covered services. The so-called Balance Bill law prohibits Massachusetts providers from charging GIC Indemnity Plan members for amounts that exceed the Plan's payment for covered services. Similarly, all network-based plans, like HMOs, contractually require their network providers to accept the Plan's reimbursement as payment in full. If you have experienced any of the above, your health plan wants to know about it. Contact your health plan's customer service department; your health plan will educate providers about their legal or contractual obligations.



Annual Enrollment April 3 to May 5, 2000



Annual enrollment is April 3 to May 5 this year. Choosing a health plan is an important decision for you and your family, and annual enrollment gives you an opportunity to review your options and select a new plan, if you so desire. When choosing a health plan, keep in mind the following:

- The kinds of care you and your family might need and how the health plan covers these services
- Whether your doctors are currently in the plan's network (remember: this can change)
- The plan's service area and convenience
- The co-pay amounts for doctor's visits and drug prescriptions
- The monthly premium

As a new tool, this year's Benefit Decision Guides will include the Massachusetts Healthcare Purchaser Group's 1999 report card on HMOs that are offered by the Group Insurance Commission, as well as national results for all HMO plans surveyed. At present there are no comparable measures available for indemnity, PPO, and Medicare plans.

Look for your Benefit Decision Guide at work, or in the mail, toward the end of March. Also, be sure to attend a Health Fair. The schedule, including new Saturday dates, will be in the Guide.

GIC's Public Hearing Scheduled for Friday, February 11 at 9:30 A.M.

**Minihan Hall, 6th Floor,
Charles F. Hurley Building,
19 Staniford Street, Boston**

All state employees and retirees are welcome to attend this annual meeting where the GIC will describe prospective benefit changes and attendees are invited to express their views.

Blood Pressure – Why Should You Care and Are You Getting the Treatment You Need?

One of the first things a good health provider will do when you go for an office visit is take your blood pressure. Blood pressure measures the pressure of the blood within your arteries. Taking a blood pressure reading is the primary means of identifying risk for hypertension (high blood pressure). Many people with hypertension do not have symptoms.

Approximately 50 million Americans - about 30% of the adult population, has high blood pressure according to the National Health and Nutrition Examination Survey. Complications from uncontrolled hypertension include:

- Coronary artery disease
- Congestive heart failure
- Stroke
- Kidney disease
- Eye disease

Management techniques to control blood pressure to at least 140/90 mm Hg can include:

- Medications
- Weight loss
- Increased exercise
- Decreased intake of saturated fat, alcohol and sodium

Do not become alarmed if your blood pressure is high when it's first read. The only way health providers can reliably measure hypertension is through three elevated blood pressure readings. The important question is – is your doctor monitoring your blood pressure and working with you to keep it low, a criterion of the National Center for Quality Assurance (NCQA).



The GIC recently welcomed two new members to its management team. Pictured left to right are Robyn Olson, Assistant Director of Budget, and Lysiane Ribeiro, Assistant Director of ASO Programs.

Health Care Industry in Turmoil

the fire for politi-

cians and health care industry experts to step up the debate about the rapid changes and challenges facing the United States health care industry. Massachusetts has always been a focal point of the health care discussions, even before the HPHC news. Nearly 15% of our local economy is fueled by the health care sector. Our broad array of health care services and research facilities, combined with a strong emphasis on quality health care, ensures these debates will continue on in force.

Most western countries guarantee universal access to health care services paid for out of tax revenues. In some instances they accomplish this at lower costs than the United States. U.S. health care consumers enjoy other benefits not available in other countries such as innovative procedures and access to many types of specialists and services through new technological advances and pharmaceuticals. These added services, delivered primarily by the private sector rather than government, are expensive. Compounding this cost is the fact that Americans are growing older and using more kinds of services. The result is that many Americans are paying higher premiums, or higher out-of-pocket expenditures for health care.

Several developments account for the increased strife. Government and public/private employers are facing tighter budgets at the same time as many

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top quality health insurers are facing spiraling losses from increasing health care and pharmacy costs, and in some instances, failed attempts at expansion outside of Massachusetts. (HPHC contributes some of its losses to its inability to integrate computer systems, health care provider contracts, and insurance offerings between the former Harvard Community Health Plan and Pilgrim Health Plan.) In addition, many health care providers have endured major cuts in reimbursement from the federal government under a cost saving program implemented for Medicare, a part of the Balanced Budget Act of 1997. Thus, many health care providers are resisting cost containment efforts by insurers in order to recoup some of their losses in income from the federal government.

What does this mean for you? The GIC continues to provide a broad range of health plans with comprehensive benefits (including pharmacy and mental health services). As a large purchaser, the GIC is able to obtain competitive health insurance rates for its enrollees. However, the GIC is not immune from the changes occurring in health plan networks, nor can it completely protect its enrollees from the spiraling costs of prescription drug benefits or the loss of health plan choices. The GIC will continue to offer a choice of quality plans to enrollees and retirees at the best available prices, but given the current challenges in the health care industry, the one thing that is certain is that some change is inevitable.

Employee Assistance Program Helps Hampshire County Probate & Family Court

The Hampshire County Probate and Family Court recently utilized the GIC's EAP benefits after a terrible trauma. The staff was very shaken after a woman seeking a restraining order was murdered by her husband after she left the court. They called on Susan Cooper at United Behavioral Health for traumatic incident services.

"I am writing to you to let you know how very much we all appreciated Sue's coming here," wrote Kathleen Morrissey, Head Administrative Assistant of the Hampshire Probate and Family Court. "She gave everyone an opportunity to express their

feelings...and begin the healing process. ...Those who participated have repeatedly spoken of how much she helped them...In closing, I would like to thank you for offering this program through the EAP for state employees. It has left a positive impact on all of us."

All state agency managers and supervisors can access to work-related stress resources for their employees by calling Susan Cooper at 781-768-2277. Programs include wellness seminars, management consultations, grief support groups, and critical incident debriefings. Individuals with Indemnity Plan or Commonwealth PPO coverage can access personal short-term help through United Behavioral health at 1-888-610-9039.

Q & A GIC Indemnity Plan

Q) I'm enrolled in the GIC Indemnity Plan with CIC, what does CIC mean?

A) CIC refers to Catastrophic Illness Coverage. GIC Indemnity Plan participants can elect CIC (catastrophic) or non-CIC (non-catastrophic) coverage. CIC increases the benefits for most covered services to 100% subject to deductibles and co-payments. Enrollees without CIC pay higher deductibles and receive only 80% coverage for some services. Over 99% of all indemnity plan members select CIC.

Q) How often are physical exams covered?

A) Coverage of comprehensive physical exams depends upon your age.

Ages 19-40: Preventive physical exams are provided at 100% every three years, less your co-pay.

Ages 40-60: The benefit frequency increases to every two years.

Ages over 60: The benefit frequency increases to every year.

See your health plan handbook for specific screening procedures and tests included. Additional preventive procedures, such as pap smears, breast and rectal exams are covered according to the schedule in your handbook. **HOWEVER, BE AWARE THAT THIS COVERAGE IS LIMITED TO THE PROCEDURE ITSELF, NOT A COMPREHENSIVE EXAM.**

For additional information, or for another copy of your handbook, contact Unicare, the GIC Indemnity Plan administrator, at 1-800-442-9300, or visit their web site at www.plusaccess.com.

Before You Retire.....

Three months before you retire from state service, be sure to do the following.

- 1) For retirement counseling, call or visit the State Retirement Board at 617-367-7770, One Ashburton Place in Boston. See their web site at www.state.ma.us/treasury/srb.
- 2) Evaluate your health and optional life insurance options. Complete and submit the corresponding GIC forms available through your worksite's GIC Coordinator.
- 3) Call or visit your local Social Security Office (see phone book blue pages, or go to www.ssa.gov) for Social Security & Medicare Benefits eligibility. Fill out & submit the forms.

Benefits Access

GIC Indemnity Plan	1-800-442-9300 www.plusaccess.com
Commonwealth PPO	1-800-870-9488 www.tufts-healthplan.com
United Behavioral Health	1-888-610-9039 www.unitedbehavioralhealth.com
Merck-Medco	1-800-988-1795 www.merck-medco.com
Fallon	1-800-868-5200 www.fchp.org
Harvard Pilgrim	1-800-842-4464 www.harvardpilgrim.org
Health New England	1-800-842-4464 www.healthnewengland.com
Neighborhood Health Plan	1-800-433-5556 www.nhp.org
Tufts Health Plan	1-800-462-0224 www.tufts-healthplan.com
CIGNA Healthsource	1-800-244-1870 www.cigna.com
The Hartford (LTD)	1-800-322-6222
Vision One	1-800-804-4384
Medicare	1-800-772-1213 www.hcfa.gov/medicare
State Retirement Board	1-617-367-7770 www.state.ma.us/treasury/srb
GIC	1-617-727-2310 www.state.ma.us/gic
GIC TDD Access	1-617-227-8583

Benefits for Staff in Legislature, Executive Offices, and Managers

Delta Dental	1-800-553-6277 www.deltamass.com
SightCare	1-800-595-9881



Peter V. Forman Welcomed to GIC

Peter V. Forman, GIC's newest Commissioner, brings a strong

legislative and management perspective to the agency. As the official designee for Andrew S. Natsios, Secretary of Administration and Finance, Forman was most recently the Sheriff for Plymouth County where he managed over 400 employees. "Having managed four hundred employees, I know how critical the quality of health care and service is to employees and their families," he said. Mr. Forman also brings relevant legislative experience to the Commission, having served on both the Insurance and Health Care Legislative Committees during the 1980s.

Peter Forman was elected to the Legislature in 1980 as the Representative (R) from Plymouth. From 1991 to 1995 he served as the House Minority Leader. In 1995 Governor William Weld appointed him to the Plymouth County Sheriff's position. He was elected to this position in 1996 and reelected in 1998. Andrew S. Natsios recruited him to be his deputy this fall. "It was a great professional opportunity," says Mr. Forman of his decision to move to Administration and Finance. "There are many technical and complicated issues at a statewide level, and I look forward to these challenges," he continued.

Mr. Forman is pleased with the expertise and professionalism he's observed at the Group Insurance Commission. "The Commission is constantly doing a balancing act (between its objectives of high quality health care at reasonable costs), and I hope to learn from them," he said. The Commission extends a warm welcome to Mr. Forman and looks forward to the benefit of his experience and knowledge.

Free Pilot Health Management Program Underway for Selected GIC Indemnity Plan Members

Over 12,000 GIC Indemnity Plan members with chronic health conditions were selected to participate in a free health management program called the Premier Program. This is a voluntary program and participants can elect to withdraw at any time. Participants receive Plan-sponsored customized health assessments, health education, interventions, and counseling over the one to two year pilot program. Additionally, selected individuals will also receive 24-hour patient advocacy support.



Participants receive a questionnaire two to four times a year. Healthtrac, a national leader in health promotion, evaluates each questionnaire using a sophisticated system developed by leading physicians at Stanford University. From this, GIC Indemnity Plan doctors and registered nurses provide personalized support and recommendations. (This information, and all medical records, are confidential and not available to anyone at the Group Insurance Commission.)

The Plan's objective is to better manage chronic medical conditions, improving quality of life and longevity and efficient coordination of care. If this voluntary program is successful, the GIC will expand it to other GIC Indemnity Plan members and to other facilities (the pilot program only comprises six selected hospitals.) *If you have been selected for this program, and have any questions, call the special Premier Plan number at 1-800-942-7224.*

Selecting Your GIC Identification Number

Active employees may use a number other than their social security number as their GIC identification number. Your GIC Identification Number is used for health plan and other benefit programs provided through the Group Insurance Commission. If you are an active employee and wish to have a different number, please request the change in writing. (Retirees are not eligible for

alternative numbers, because of our need to coordinate Social Security and other program benefits with the federal government.) Send the request, along with your full name, address and social security number to Nancy Bolduc, Director of Operations, Group Insurance Commission, P.O. Box 8787, Boston, MA 02114-8747. If you make this request, you will be sent a new member card in several weeks.

Challenges Intensify in the Pharmaceutical Market

One of the biggest challenges for GIC has been the precipitous increase of pharmaceutical drug costs. Annual GIC prescription drug costs through 1996 were increasing at or below 10% annually. Over the last three years, GIC pharmacy costs for the Indemnity Plan and PPO have escalated at an average of 21% per year:

- The Commonwealth paid \$660 per GIC member in Fiscal Year 1999, almost double the \$365 it paid per member in Fiscal Year 1996.
- The average number of mail and retail drug prescriptions has increased to 20.94 prescriptions per member per year in Fiscal Year 1999; up from 12.81 in Fiscal Year 1996.

What's driving this price escalation? According to Towers Perrin, a national health care consulting firm, there are three factors at work:

Increased utilization. The public is demanding more prescriptions when they go to the doctor; doctors are prescribing more prescriptions, and prescribing them for longer periods of time.

Increased introduction of new drugs by pharmaceutical companies. In general, new drugs are more expensive than the drugs they are replacing because they are "on patent", meaning only the drug manufacturer produces the new drug for years, thereby excluding the possibility of a competitor making a less expensive generic version of the drug.

Inflation, although this only represents 3 to 4% of annual cost increases.

In keeping with its mission to provide quality care at reasonable costs, the Commission voted in December to modify the Indemnity Plan and PPO Pharmacy benefit programs as of July 2000:

- Move to a three-tier co-pay for generic, brand name formulary and brand name non-formulary drugs.
- Implement a new drug management review process
- Add a discount for over-the-counter drugs through its mail order drug program

Additional details on these changes, and HMO pharmacy benefit changes, will appear in the Benefit Decision Guide and spring newsletter.

Pharmacy drug costs continue to escalate. The following chart lists GIC Pharmacy Program's top ten drugs by volume, and their average wholesale cost for a thirty-day supply. If you did not have the GIC Plan, with its \$5 generic and \$15 brand retail co-pay, this is the amount you would pay for each drug.



GIC Top 10 Pharmaceuticals by volume

Brand Name	Average cost*	Disease Treated
Tenormin	\$27.60	Hypertension, Angina (Generic Alternative, Atenolol)
Lipitor	\$73.80	High Cholesterol
Premarin	\$17.10	Estrogen replacement therapy
Prilosec	\$144.60	Ulcer
Prempro	\$24.60	Estrogen replacement therapy
Norvasc	\$43.47	Hypertension, Angina
Zocor	\$94.20	High cholesterol
Prozac	\$127.20	Depression, Obsessive-Compulsive Disorder
Proventil/ Ventolin	\$36.00	Asthma (Generic alternative, Albuterol)
Claritin	\$67.50	Allergic Rhinitis, Asthma

*Average Wholesale cost for a 30-day supply

GIC Indemnity Plan PLUS Deductibles Waived As of July 1, 2000

The GIC voted to waive annual deductibles on the GIC Indemnity PLUS Plan as of July 1, 2000. Current deductibles are \$75 per individual and \$150 per family. The Commission voted this program enhancement at its December Commission meeting.

The GIC Indemnity Plan PLUS offers the same benefits as the GIC Indemnity Plan with CIC, at a lower premium.

When enrollees use physicians and hospitals listed in the PLUS Directory, they receive maximum benefits and no balance billing. See the Benefit Decision Guide, call Unicare, or visit a health fair for additional details.



KEEP IN MIND . . .

REPORT ANY CHANGES IN YOUR FAMILY

Active employees must notify the Group Insurance Coordinator where they work of family changes. Retirees must call their health plan and notify the GIC in writing of the following changes:

- ✓ Have a baby
- ✓ Add dependents
- ✓ Get divorced



DEPENDENT COVERAGE

Unmarried dependent coverage ends at the end of the month that the dependent turns 19. If the dependent is a full-time student, the State insured must apply to the GIC for student coverage and, if approved, must recertify student eligibility twice a year.

For additional information, call the Group Insurance Commission 617-727-2310 extension 801.

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